GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1832
ANSWERED ON:30.07.2015
Upliftment of Handloom Sector
Dubey Shri Nishikant ;George Shri (Adv.) Joice

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government is planning to uplift the handloom sector in the country, if so, the details thereof;

(b) whether any special packages are declared/proposed to rejuvenate the handloom sector and if so, the details thereof, State-wise;

(c) whether the Union Government has received requests from the various State Governments including Jharkhand for release of financial assistance for the handloom sector in the country and if so, the details thereof along with the financial assistance provided during each of the last three years and the current year, State-wise; and

(d) the other steps taken/being taken by the Union Government for the development of handloom sector in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a): The Government of India has been implementing following schemes/programmes, for the upliftment of handloom sector, development & welfare of handloom weavers throughout the country including State of Jharkhand namely;

(i) National Handloom Development Programme,
(ii) Comprehensive Handloom Development Scheme,
(iii) Handloom Weavers' Comprehensive Welfare Scheme,
(iv) Yarn Supply Scheme and
(v) Comprehensive Handloom Cluster Development Scheme.

(b): The Union Government has approved Revival, Reform & Restructuring (RRR) package to the Handloom Sector. The details are as under:

The financial distress faced by handloom weavers and cooperatives due to their inability to repay debts, the Finance Minister announced a financial package of Rs.3000 crore for the handloom sector on 28.2.2011. To give effect to this announcement, the scheme namely 'Revival, Reform & Restructuring (RRR) package' for the handloom sector was approved on 24.11.2011, and accordingly, guidelines of the RRR Package were issued on 28.`11.2011. NABARD is the designated implementing agency of RRR package.

The modifications in the guidelines of RRR Package have been carried out so as to overcome the practical difficulties experienced in implementation of the scheme and to cover more apex societies, primary weaver cooperative (PWC) societies and individual weavers under the package. The revised scheme also facilitates cheaper credit @ 6% of interest to the handloom sector in line with the budget announcement of 2013-14. The RRR Package was approved for implementation upto 28.02.2014.

In addition to RRR Package for providing access to subsidized term loan as well as working capital loan to handloom weavers not covered under loan waiver package, Government has approved Concessional Credit Component. The loan is sanctioned to weavers at 6% interest and Government of India interest subvention is maximum 7% and to leverage the loan, Government provides margin money assistance upto Rs. 10,000 per weaver and credit guarantee through Credit guarantee Trust Fund for Micro and Small Enterprises (CGTMSE).

(c): At present, there is no proposal pending with Government for release of financial assistance to State Government of Jharkhand. However, funds are released by the Union Government to State Government on the basis of the viable proposals received in accordance with the guideline of the various of schemes. Financial assistance during the last three years and current year to various State including Jharkhand under different schemes is annexed herewith.

(d): The above schemes will be operational till the end of 12th five year plan i.e. March 2017. However, the National Handloom Development Programme has recently been modified in a way that the scheme is more accessible to handloom weavers both within and outside co-operative fold. As per the new provisions Cluster/CFC will be set up at block level having concentration of handloom. In a block, more than one cluster may also be taken up depending upon need with respect to number of handlooms.